

MASTER EQUIPMENT LEASE AGREEMENT

This Agreement made this ____ day of _____, by and between 1st SOURCE BANK with offices at 2780 Waterfront Parkway East Drive, Suite 130, Indianapolis, Indiana and a mailing address of 2780 Waterfront Parkway East Drive, Suite 130, Indianapolis, IN 46214 ("LESSOR") and City of Lincoln (NE), a Municipality, with its principal place of business at 901 N. 6th Street, Lincoln, NE 68508 ("LESSEE").

Statement of Purpose

LESSOR and LESSEE expect that LESSEE may, during the term of this Agreement, wish to lease cars, trucks, motor vehicles, equipment and accessories and attachments thereto (hereinafter referred to as "Equipment"). The purpose of this Agreement is to establish a procedure for entering into leases during the term hereof and to establish the terms and conditions applicable to such leases.

Now, THEREFORE, in consideration of the material promises contained herein, LESSOR and LESSEE agree as follows:

1. **Lease Supplements.** If LESSOR and LESSEE agree to lease Equipment pursuant to this Agreement, they shall execute a Lease Supplement in such form as may be required by LESSOR ("Supplement"). All of the terms and conditions of this Agreement shall be automatically incorporated by reference in each such Supplement. Upon execution by LESSOR and LESSEE, the Supplement shall constitute the lease of the Equipment described therein.
2. **Delivery.** LESSEE shall inspect all Equipment leased pursuant to this Agreement immediately upon its delivery to LESSEE. If the Equipment is acceptable to LESSEE, it shall execute a Delivery Receipt, in such form as may be required by LESSOR. Upon execution thereof, the Equipment shall be conclusively presumed to be accepted by LESSEE, in good and serviceable condition and fully satisfactory to LESSEE. All costs related to the delivery of the Equipment to LESSEE shall be the sole responsibility of LESSEE.
3. **Term.** The lease term for the Equipment shall be as specified in the Supplement. If any such term is extended, the word "term" as used in this Agreement shall be deemed to refer to the term as so extended and all provisions of this Agreement shall apply during and until expiration of said extended term. The lease shall not be terminated by LESSEE for any reason whatsoever.
4. **Rent.** Lessee agrees to pay LESSOR rent with respect to the Equipment at the time and in the amounts set forth in the Supplement. LESSEE's obligation to pay rent and other amounts payable hereunder shall be absolute and unconditional and shall not be affected by any offset, defense, counterclaim or occurrence whatsoever, including but not limited to any defect or failure of performance of the Equipment or any interruption or cessation in the use of possession of the Equipment by LESSEE. If LESSEE fails to fully pay any lease payment or any amount required to be paid by LESSEE to LESSOR within ten (10) days of the due date, LESSEE will pay to LESSOR interest on each delinquent payment equal to one percent (1%) per month, pursuant to I.C. 5-7-5.
5. **Insurance and Liability.** With respect to all Equipment leased pursuant to this Agreement, LESSEE agrees as follows:
 - 5.1 LESSEE assumes all risk and liability arising from LESSEE's possession, use and operation of the Equipment and agrees to indemnify and hold LESSOR harmless from any and all of the following, whether the same be actual or alleged: all loss, damage, claims, suits, taxes, licenses, penalties, fines, liability and expense, including attorney's fees, howsoever arising or incurred because of any possession, use or operation of the Equipment, including, but not limited to, damages, injuries or death to persons or injury or destruction of property, claims and liens for storage, labor and materials, and all loss and damage to the Equipment.
 - 5.2 LESSEE shall provide public liability insurance in the amount of **One Million Dollars (\$1,000,000.00)** for bodily injury in the amount of **One Million Dollars (\$1,000,000.00)** for property damage. LESSOR will be named as an additional insured and LESSEE agrees to provide proof satisfactory to LESSOR that adequate and appropriate insurance is in force at all times.
 - 5.3 LESSEE shall provide comprehensive insurance in an amount not less than the total of all remaining lease payments due under this Agreement and Supplements for Equipment, or with LESSOR's prior written consent, may self-insure against any or all risks. LESSOR will be named as a loss payee and/or additional insured in all of said policies and the insurance company must be satisfactory to LESSOR. LESSEE shall furnish a Certificate of Insurance to LESSOR prior to delivery of possession of the Equipment to LESSEE. Such policy shall contain a clause giving LESSOR Thirty (30) days' prior notice of cancellation. If LESSEE fails to maintain the required insurance, LESSOR may, but shall not be obligated to, insure said Equipment at the expense of LESSEE. If LESSOR pays the insurance premiums, LESSEE agrees to pay LESSOR on demand such amount with interest at the rate of One percent (1%) per month, pursuant to I.C.5-7-5, from the date of payment until fully paid by LESSEE. LESSEE assigns to LESSOR any monies paid under such insurance coverage, by whomever obtained. LESSEE authorizes LESSOR to receive or collect any money paid under such insurance, endorse checks or drafts payable to LESSEE related to the payment, cancel the insurance or settle or release any claim with respect to the insurance. Any proceeds remaining after all lease obligations of LESSEE to LESSOR are satisfied shall be delivered to LESSEE.
 - 5.4 LESSEE shall immediately notify LESSOR and the insurer if any Equipment is involved in damage, theft, loss or destruction.
 - 5.5 LESSEE shall notify LESSOR in writing of any change in location of the Equipment.
6. **Taxes.** LESSEE shall be liable for and shall pay or reimburse LESSOR for any and all taxes, fees or assessments, however designated, levied or based upon the rentals, this Agreement, the equipment, the transfer, use, possession or operation of the Equipment, or any combination of the foregoing, whether the same be payable by or assessed to LESSOR or LESSEE, including but not limited to personal property taxes, excise taxes and sales and use taxes, but excluding only taxes measured by the net income of LESSOR. All such taxes, fees or assessments shall, at LESSOR's option, either be paid directly by LESSEE to the appropriate taxing authority or agency to be paid to LESSOR. If LESSOR pays any taxes, assessments or fees, LESSEE agrees to pay LESSOR such amounts on demand with interest on each such amount paid by LESSOR in an amount equal to One percent (1%) per month, pursuant to I.C.5-7-5, until fully paid.
7. **Disclaimer of Warranty and Limitation of Damages.** LESSEE HEREBY ACKNOWLEDGES THAT LESSOR IS NOT A MANUFACTURER OR A DEALER IN PROPERTY OF SUCH KIND AS THE EQUIPMENT. LESSEE HAS SELECTED THE EQUIPMENT TO BE LEASED HEREUNDER AND HAS NOT RELIED UPON ANY STATEMENTS OR REPRESENTATIONS OF LESSOR. LESSEE FURTHER AGREES THAT THE DEALER FROM WHOM THE EQUIPMENT HAS BEEN ACQUIRED BY LESSOR IS NOT AN AGENT OF LESSOR, AND LESSOR SHALL NOT BE RESPONSIBLE FOR ANY STATEMENTS, REPRESENTATIONS OR ACTIONS OF SUCH DEALER, UNLESS SPECIFICALLY PROVIDED IN THIS AGREEMENT OR THE SUPPLEMENT. LESSOR MAKES NO REPRESENTATIONS, PROMISES, STATEMENTS OR WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO THE CONDITION, QUALITY OR DURABILITY OF THE

EQUIPMENT. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, THERE ARE NO IMPLIED WARRANTIES OF MERCHANTABILITY OR OF FITNESS FOR A PARTICULAR PURPOSE. LESSOR SHALL NOT BE LIABLE FOR ANY INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES, INCLUDING BUT NOT LIMITED TO ANY LIABILITY, CLAIM, LOSS DAMAGE OR EXPENSE CAUSED DIRECTLY OR INDIRECTLY BY THE EQUIPMENT OR ANY DEFICIENCY OR DEFECT THEREIN, OR BY THE USE, MAINTENANCE REPAIR OR SERVICE THEREOF, OR BY THE INABILITY TO USE THE EQUIPMENT AND LOSS OF BUSINESS OR PROFITS RELATED THERETO. IN THE EVENT THAT THE EQUIPMENT FAILS TO PERFORM AS EXPECTED OR REPRESENTED, LESSEE WILL CONTINUE TO HONOR THE RENT OBLIGATIONS WITH RESPECT TO THE EQUIPMENT BY CONTINUING TO MAKE ALL SCHEDULED PAYMENTS AND LESSEE WILL LOOK SOLELY TO THE MANUFACTURER OR DEALER FOR THE PERFORMANCE OF ALL WARRANTIES.

8. **Theft or Destruction.** LESSEE hereby assumes and shall bear the entire risk of any loss, theft, damage to or destruction of any Equipment from any cause whatsoever, whether or not such loss or damage is covered by insurance. No loss or damage to any Equipment will impair the obligations of LESSEE to LESSOR. In the event of loss or damage to any Equipment, LESSOR shall have the option of requiring LESSEE to: (a) repair or restore the damaged Equipment to good condition and working order; or (b) replace the Equipment with similar Equipment in good repair, condition and working order and have the same be subject to a Lease pursuant to this Agreement; or (c) pay LESSOR an amount equal to the remaining payments owed and attributed to the damaged or destroyed Equipment under the subject lease. Upon payment of such original cost to LESSOR the lease will end with respect to the particular item of Equipment for which LESSEE has paid and LESSEE will become entitled to ownership of that subject item of Equipment, in an "As is" condition without any warranties, express or implied. If the lease so ends as to certain Equipment, the remaining lease payments shall be reduced in the same proportion as the removed Equipment's original costs bears to the original cost of all Equipment covered by the original subject lease.
9. **Non-Appropriation of Funds; Non-Substitution.** Notwithstanding anything contained in this lease to the contrary, in the event no funds or insufficient funds are appropriated and budgeted or are otherwise unavailable by any means whatsoever in any fiscal period for lease payments due under this lease, LESSEE will immediately notify LESSOR or its assignee in writing of such occurrence and this lease shall terminate on the last day of the fiscal period for which appropriations have been received or made without penalty or expense to LESSEE, except as to (i) the portions of lease payments herein agreed upon for which funds shall have been appropriated and budgeted or are otherwise available and (ii) LESSEE's other obligations and liabilities under this lease relating to, or accruing or arising prior to, such termination. In the event of such termination, LESSEE agrees to peaceably surrender possession of the Equipment to LESSOR or its assignee on the date of such termination in the manner set forth in Section 12 hereof and LESSOR will have all legal and equitable rights and remedies to take possession of the Equipment. Notwithstanding the foregoing, LESSEE agrees (i) that it will not cancel this lease and this lease shall not terminate under the provisions of this Section if any funds are appropriated to it, or by it, for the acquisition, retention or operation of the Equipment or other equipment or services performing functions similar to the functions of the Equipment for the fiscal period in which such termination would have otherwise occurred or for the next succeeding fiscal period, and (ii) that it will not during the lease term give priority in the application of funds to any other functionally similar equipment or to services performing functions similar to the functions of the Equipment. This section will not be construed so as to permit LESSEE to terminate this lease in order to purchase, lease, rent or otherwise acquire the use of any other equipment or services performing functions similar to the functions of the Equipment, and, if this lease terminates pursuant to this Section, LESSEE agrees that during the fiscal period immediately following the fiscal period in which such termination occurs it will not so purchase, lease, rent or otherwise acquire the use of any such other equipment or services.
10. **Title to Equipment; Security Interest.** Upon acceptance of the Equipment by LESSEE hereunder, title to the Equipment will vest in LESSEE subject to LESSOR's rights under this lease; provided however, that (i) in the event of termination of this lease pursuant to Section 9 hereof, (ii) upon the occurrence of an Event of Default hereunder, and as long as such Event of Default is continuing, or (iii) in the event that the purchase option has not been exercised prior to the Expiration Date, title will immediately vest in LESSOR or its assignee without any action by LESSEE and LESSEE shall immediately surrender possession of the Equipment to LESSOR or its assignee in the manner set forth in Section 12 hereof. In order to secure all of its obligations hereunder, LESSEE hereby (i) grants to LESSOR a first and prior security interest in any and all right, title and interest of LESSEE in the Equipment including but not limited to computer programs and computer documentation, if any, relating to the Equipment and in all additions, attachments, accessions, and substitutions thereto, and on any proceeds therefrom, (ii) agrees that this lease may be filed as a financing statement evidencing such security interest, and (iii) agrees to execute and deliver all financing statements, certificates of title and other instruments in form satisfactory to LESSOR necessary or appropriate to evidence such security interest, and authorizes LESSOR to file such financing statements without LESSEE's signature.
11. **Default and Remedies.**
 - 11.1 Any one or more of the following shall constitute an Event of Default hereunder: (i) failure by LESSEE to make any rental or other payment required hereunder when due; (ii) failure by LESSEE to maintain the insurance required hereunder; (iii) failure by LESSEE to observe or perform any term, condition, covenant or agreement contained herein, other than those referred to in (i) and (ii) hereof, if such failure shall continue for fifteen (15) days after the giving of notice thereof by LESSOR; (iv) institution of a proceeding in reorganization, bankruptcy or insolvency by or against LESSEE or any of its property or the application for or content to by LESSEE of any assignment for creditors or other reorganization or creditor agreement, either with or without court action.
 - 11.2 If an Event of Default occurs, LESSOR may: (i) proceed by appropriate court action or actions, either at law or in equity, to enforce performance by LESSEE of the applicable covenants and terms of this Agreement or to recover damages for the breach of such covenants and terms; (ii) by notice in writing, terminate this agreement as to all or any Equipment leased hereunder, whereupon all right and interest of LESSEE to or in the use of said Equipment shall absolutely cease and terminate. Upon such termination, LESSEE shall deliver the Equipment to LESSOR at a place designated by LESSOR, and without relieving LESSEE of such obligation, LESSOR may directly or by its agents enter upon the premises of LESSEE or other premises where any of said Equipment may be located and take possession thereof and thenceforth hold, possess and enjoy or sell, lease or otherwise dispose of the same free of any right or LESSEE or its successors or assigns, including any receiver or trustee in bankruptcy. LESSOR shall have the right to retain all prior rental payments and any security deposit made hereunder and to recover from LESSEE (a) the total of the unpaid monthly rental payments remaining to be paid; plus (b) any other amounts owed under this Agreement; plus (c) reasonable attorney's fees and expenses incurred in enforcing this Agreement; less (d) either (x) the wholesale market value of each item of Equipment returned to LESSOR, as determined by an independent appraiser reasonably selected by LESSOR or (y) if LESSOR has sold Equipment, the net proceeds received by LESSOR for that Equipment in place of the appraised value after deducting expenses of sale, repossession, and of holding and preparing the Equipment for sale, including attorney's fees; (iii) the rights and remedies provided for in this Agreement shall not be deemed exclusive, but shall be cumulative and shall be in addition to all other remedies in LESSOR's favor existing at law or in equity.
12. **Return of Equipment.**
 - 12.1 Upon expiration or termination of the lease term, LESSEE shall return the Equipment to LESSOR, at LESSEE's expense, to such location as may be specified by LESSOR in the same condition as when received, ordinary wear and tear excepted. LESSEE shall pay to LESSOR, on demand, any expenses incurred by LESSOR in restoring the Equipment to the condition required by this Section. In the event LESSEE fails to return any Equipment, it shall pay LESSOR, on demand, an amount equal to the percentage that the non-returned Equipment's Monthly Rental Factor is to all Monthly Rental Factors in the appropriate Lease Supplement, times the total Purchase Price set forth in the Purchase Option in the appropriate Lease Supplement.

- 12.2 LESSOR, or its designee, shall have the right (but not the obligation) to inspect the Equipment at any time during the term. If LESSOR determines that LESSEE has failed to perform its obligations, as set forth in this Section, LESSOR shall have the right (but not the obligation) to perform the maintenance or repairs, and LESSEE shall pay to LESSOR on demand an amount equal to the cost of any such maintenance or repairs.
13. **Purchase Option.** Provided that LESSEE has fully complied with all the terms and conditions of this Agreement and all Supplements and is not then in default thereunder and so long as the applicable Supplement provides a purchase option, LESSEE shall have the option to purchase Equipment leased hereunder according to the terms of the applicable Supplement upon expiration of the applicable term. This option must be exercised by written notice to LESSOR not earlier than 120 days and not later than Thirty (30) days prior to the end of the term for such Equipment. Upon receipt of the purchase price which shall be due at the end of the applicable lease term, LESSOR shall transfer title to the Equipment to LESSEE on an AS-IS, WHERE-IS basis with no representations or warranties of any kind whatsoever, including but not limited to implied warranties of merchantability or fitness for a particular purpose.
14. **Income Taxes.** For all Equipment leased hereunder, LESSOR shall claim, for purposes of determining its Federal, State and local income tax liabilities, all of the tax benefits available to an owner of property, including but not limited to the maximum amount of accelerated cost recovery deduction allowed by the Internal Revenue Code, as amended.
15. **Finance Lease.** LESSOR or LESSEE agree that each lease subject to this Agreement shall be a "finance lease" as that term is defined in Section 2.1-103(1)(g) of the Uniform Commercial Code, as enacted in Indiana, and that LESSOR shall be treated as a finance lessor, entitled to the benefits and releases from liability accorded to a finance lessor under the Uniform Commercial Code.
16. **Miscellaneous.**
- 16.1 Either LESSOR or LESSEE may terminate this Agreement with respect to the renting of additional Equipment immediately upon written notice to the other party. After such termination, the obligations of both parties with respect to Equipment already leased shall continue in full force and effect in accordance with the terms of this Agreement and the Supplements, notwithstanding termination.
- 16.2 LESSEE shall not assign, mortgage, or encumber this Agreement nor sublease or permit any Equipment to be used by others without the prior written consent of LESSOR. LESSOR shall have the absolute right to assign its rights and obligations under this Agreement and under all or any of the Supplements at any time without LESSEE's consent.
- 16.3 This Agreement and all Supplements entered into hereunder shall be governed by and construed in accordance with the laws of the State of Indiana.
- 16.4 All notices relating to this Agreement and Supplements entered into hereunder shall be in writing and shall be mailed registered or certified mail, return receipt requested, to LESSOR or LESSEE at the address set forth in the first paragraph hereof or at such other address as may hereafter be designated. All such notices shall be deemed effective when received by the party to whom the notice is given.
- 16.5 This Agreement, together with the Supplements and Delivery Receipts, constitutes the entire agreement between the parties and any change or modification thereto must be in writing and signed by the parties hereto. Capitalized terms used in this Agreement which are not defined herein shall have the meanings given to them in the Supplements.
- 16.6 LESSEE agrees to deliver to LESSOR within sixty (60) days of June 30 of each year, a copy of LESSEE's annual financial report. Upon request, LESSEE will deliver to LESSOR copies of such monthly and/or quarterly financial reports as LESSEE regularly produces.
- 16.7 No covenant or condition in this Agreement can be waived except by written consent of LESSOR. Forbearance, delay, omission or indulgence by LESSOR in any regard whatsoever shall not constitute a waiver of the covenant or condition to be performed by LESSEE. LESSOR shall be entitled to invoke any remedy available to LESSOR under this Agreement or law or in equity at any time despite previous forbearance or indulgence.
- 16.8 All Equipment is, and at all times will be and remain, personal property regardless of whether it becomes affixed or attached to real property or permanently rests upon any real property or any improvement thereof. LESSEE will execute all agreements and other documents and will secure the execution of any other documents deemed necessary by LESSOR from time to time in recordable form, confirming the Equipment is affixed or attached and LESSEE will record such agreements and documents as required by LESSOR.
- 16.9 LESSOR makes no representation, express or implied, concerning the legal character of this transaction for tax or other purposes.
- 16.10 LESSOR shall not be responsible to LESSEE for any third party service contracts or other agreements and any default in performance under such contracts or agreements shall in no way effect LESSEE's obligations to LESSOR.
17. **Maintenance, Use and Operation of Vehicles.** With respect to all cars, trucks, motor vehicles and accessories and attachments thereto ("Vehicles") leased pursuant to this Agreement, LESSEE agrees as follows:
- 17.1 LESSEE shall comply with all applicable laws, ordinances and regulations relating to the use, maintenance and operation of the Vehicles, including but not limited to any requirement for periodic inspections. Any fines, charges, penalties or forfeitures imposed by any governmental authority upon any Vehicle or any driver thereof, shall be paid immediately by LESSEE.
- 17.2 LESSEE shall, at all times (i) use and operate the Vehicles in a careful manner; (ii) permit only experienced licensed drivers, who shall be employees of LESSEE, to operate the Vehicles; (iii) require such drivers to operate the Vehicles in a lawful and careful manner; (iv) use the Vehicles within their rated capacity and not overload them or use them for hire without LESSOR's prior written approval; (v) not use the Vehicles illegally or for pushing or towing of another vehicles; (vi) not use the Vehicles in any manner which would cause any insurance covering the Vehicles to be suspended while the Vehicle is so used.
- 17.3 LESSEE shall keep and maintain the Vehicles, at LESSEE's expense, in good running order and repair, properly serviced and lubricated, in accordance with all recommendations of the manufacturer. LESSEE shall make all replacements of any components or parts with components and parts of an equivalent size, type and quality as originally supplied on the Vehicle.
- 17.4 LESSEE shall be solely responsible and pay for any and all costs and expenses in connection with the use, maintenance, parking, storage and operation of the Vehicles.

- 17.5 LESSEE shall not directly or indirectly, create or incur or allow to be created or incurred any mortgage, lien, charge or encumbrance of any kind on the Vehicles or any of its rights hereunder, and if any such mortgage lien, charge or encumbrance shall come to exist, LESSEE at its sole cost and expense shall immediately remove the same.
 - 17.6 LESSEE shall immediately notify LESSOR and the insurer if any Vehicle is involved in an accident or collision.
 - 17.7 LESSEE shall notify LESSOR in writing of any change in possession or garage location of the Vehicles, and upon request, of the name and address of the person using the Vehicle.
 - 17.8 Any alterations or modifications which are required to be made to the Vehicles in order to comply with any applicable law or governmental rule or regulation shall be made by LESSEE at its sole expense. Otherwise, LESSEE shall not, without the prior written consent of LESSOR; (i) affix or install any accessory to the Vehicle if such addition will impair the originally intended function, use or value of the Vehicle; (ii) make any substantive change to or alteration of the Vehicle; or (iii) place any sign, lettering or other legend on the Vehicle, but not including LESSEE's official seal and other lettering identifying the LESSEE. Any signs, lettering or markings placed on a Vehicle shall be removed by LESSEE with the Vehicle being restored to its original condition and quality at the termination of this Agreement. Any additions, alterations, accessories, attachments or repairs to the Vehicles made in accordance with the terms of this Agreement shall become the property of LESSOR.
 - 17.9 LESSOR, or its designee, shall have the right (but not the obligation) to inspect the Vehicles at any time during the term. If LESSOR determines that LESSEE has failed to perform its obligations, as set forth in this Section, LESSOR shall have the right (but not the obligation) to perform the maintenance or repairs required hereunder, and LESSEE shall pay to LESSOR an amount equal to the cost of any such maintenance or repairs.
18. **Licensing and Registration.** LESSEE shall at its sole cost and expense obtain, and maintain during the entire term of the lease, such licensing and registration of the Vehicles as is required by federal, state and local law or regulation. LESSEE acknowledges that all licenses, certificates of title and registration certificates will be completed as required by applicable law and to protect LESSOR's interest in the Vehicles and LESSEE agrees that nothing contained therein shall expand or otherwise affect the right of LESSEE in the Vehicles, as set forth in the Agreement. If provided in the applicable Supplement, LESSEE shall pay such licensing and registration fees to LESSOR as part of its periodic rent payment. The amount which is included in the periodic rent payment for licensing and registration, as set forth in Supplement, may be increased or decreased from time to time upon written notice from LESSOR to LESSEE (which notice may be in the form of LESSOR's normal monthly invoice to LESSEE) in order to reflect increases, changes, additions or corrections to applicable licensing and registration fees; provided, however, that the failure to so notify the LESSEE or a delay in giving such notice shall not affect the ability of LESSEE to pay or reimburse LESSOR for such licensing and registration fees and any increases, changes, additions or corrections thereto.

1st SOURCE BANK, Lessor

By: _____

Title: _____

ATTEST:

City of Lincoln (NE), Lessee

By: _____

Title: _____

Mayor of Lincoln, Nebraska

**LEASE SUPPLEMENT NO. 1
TO MASTER EQUIPMENT LEASE AGREEMENT**

This Lease Supplement is entered into this ____ day of _____, between 1st SOURCE BANK, with offices at 2780 Waterfront Parkway East Drive, Suite 130, Indianapolis, IN 46214 ("LESSOR") and City of Lincoln (NE), with offices at 901 N. 6th Street, Lincoln, NE 68508 ("LESSEE") Pursuant to the terms of a Master Equipment Lease Agreement dated _____ ("Master Agreement"), between LESSOR and LESSEE.

The terms and conditions of the Master Equipment Lease Agreement are hereby incorporated by reference in this Lease supplement 1. Capitalized terms used in this Lease Supplement 1 which are not defined herein shall have the meanings given to them in the Master Equipment Lease Agreement. Pursuant to the Master Equipment Lease Agreement and this Lease Supplement 1, LESSEE hereby leases from LESSOR the Equipment listed in Exhibit D to the Master Equipment Lease Agreement.

1. **Location:** Equipment will be kept at the following addresses: 901 N. 6th Street
Lincoln, NE 68508

Except for periods when used by LESSEE in the normal conduct of its business away from such address. Otherwise, Equipment will not be relocated without the written consent of LESSOR.

2. **Term:** The lease term for the Equipment commences on the ____ day of _____, and shall expire on the ____ day of _____, ("Expiration Date"). LESSOR shall have the option to terminate LESSEE's rights to the Equipment at an earlier time in the event of default by LESSEE. LESSEE shall have no right to terminate the lease of the equipment. At the termination or Expiration Date, LESSEE agrees to return all Equipment to LESSOR.
3. **Lease Payment.** LESSEE shall pay LESSOR, without deduction or setoff, at LESSOR's office, or to such other person or at such other place as LESSOR may designate in writing, the total lease payments for the Equipment of Two Hundred Fifty-six Thousand Twenty-four and 21/100 Dollars (**\$256,024.21**) in: 3 consecutive **Annual** installments of Fifty-four Thousand Eight and 07/100 Dollars (**\$54,008.07**) each followed by 1 payment of Ninety-four Thousand and 00/100 (**\$94,000.00**), beginning on the ____ day of _____, and continuing on the same day of each consecutive periodic interval thereafter until paid in full, plus any use taxes or assessments made pertaining to Equipment as the same come due.
4. **Option to Purchase:** LESSEE shall have the option to purchase the Equipment only at the Expiration Date according to the terms of the Master Equipment Lease Agreement. The purchase price will be **One Dollar (\$1.00)**, plus any official fees and taxes related to the purchase or transfer.

LESSOR

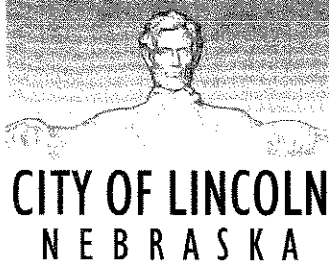
LESSEE

1st SOURCE BANK

City of Lincoln (NE)

By: _____
Title: _____

By: _____
Title: Mayor of Lincoln, Nebraska



Law Department 402-441-7281
 John Y. Hendry, City Attorney Civil fax: 402-441-8812
 575 South 10th Street 402-441-8812
 Suite 4201 Pros. fax: 402-441-8813
 Lincoln, Nebraska 68508

Ernest R. (Rick) Peo III, Chief Assistant John C. McQuinn II, Chief Prosecutor
 Richard C. Anderson, Police Legal Advisor
 Civil Division Prosecution Division
 Steven J. Huggenberger Connor L. Reuter Patrick A. Campbell Christine A. Loseke
 Margaret M. Blatchford Tonya L. Skinner Rob E. Caples Marcee A Brownlee
 Joe J. Rupp Miki Esposito Jessica Kerkhofs



MAYOR CHRIS BEUTLER

lincoln.ne.gov

EXHIBIT B

OPINION OF LESSEE'S COUNSEL

(Please furnish in this form on Attorney's Letterhead)

Lessee: City of Lincoln (NE)
 Date of
 Agreement: _____

Gentlemen:

As counsel for ("Lessee"), I have examined duly executed originals of the Master Lease Agreement dated _____, and Lease Supplement 1 between Lessee and 1st SOURCE BANK ("Lessor"), and based upon the examination and upon such other examination as I have deemed necessary or appropriate, I am of the opinion that:

1. Lessee is a public body corporate and politic, legally existing under the laws of the State of Nebraska.
2. The Agreement has been duly authorized, executed and delivered by Lessee, pursuant to constitutional, statutory and/or home rule provision which authorized this transaction and the attached Resolution.
3. The Agreement is a legal, valid and binding obligation of Lessee, enforceable in accordance with its terms. In the event the Lessor obtains a judgement against Lessee in money or damages, as a result of an event of default under the Agreement, Lessee will be obligated to pay such judgement.
4. Applicable public bidding requirements have been complied with.
5. To the best of my knowledge, no litigation is pending or threatened in any court or other tribunal, state or federal, in any way questioning or affecting the validity of the resolution or the Agreement.
6. The signatures of the officers of Lessee which appear on the Agreement are true and genuine; I know said officers and know them to hold the offices set forth below their names.

City of Lincoln, Nebraska
 a municipal corporation,

 Rick Peo
 Chief Assistant City Attorney

EXHIBIT C

CERTIFICATE OF LESSEE

THE UNDERSIGNED, duly authorized representative of the named Lessee under the certain Master Lease Agreement dated _____, and Lease Supplement 1 with 1st SOURCE BANK as Lessor hereby certifies as follows and in accordance with the requirements of the Agreement. Capitalized terms used herein have the same meaning as in the Agreement.

A. INCUMBENCY OF OFFICERS AND SIGNATURES:

I hold the position noted under my signature, and I have all authority necessary to execute and deliver this Certificate. The following officers of the Lessee are duly elected or appointed, and the signatures opposite their names are true and correct, and where required, have been filed with the appropriate officials of the State:

_____	_____
Name:	Name:
_____	_____
Title:	Title:

B. ESSENTIAL USE:

1. The Equipment will be used by the following governmental agency department for the specific purpose of:

sweeping of residential and arterial streets

2. The Equipment is essential for the functioning of the Lessee and is immediately needed by the Lessee. Such need is neither temporary nor expected to diminish during the Lease Term. The Equipment is expected to be used by the Lessee for a period in excess of the Lease Term.

3. Funds are expected to come from the street construction Fund of the Lessee.

~~**C. SECTION 365(B) (3) MATTERS:**~~

~~1. Lessee (a) maintains a register or list of exempt government obligations, (b) files when required Form 8038G or Form 8038GC, and (c) therefore can certify that the total exempt government obligations issued to date in the current calendar year, including the agreement is less than \$10,000,000.00.~~

This Certificate is based upon facts, circumstances, estimates and expectations of the Lessee as of the date on which the Agreement was executed, and to the best of my knowledge and belief, as of this date, such facts, circumstances and estimates are true and correct and such expectations are reasonable.

IN WITNESS WHEREOF, I have executed and delivered this certificate as of the ____ day of _____.

City of Lincoln (NE)

WITNESS

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

EXHIBIT D

DESCRIPTION OF THE EQUIPMENT

EQUIPMENT:

One (1) 2009 Elgin Eagle F Dual Driver Sweeper, S/N: F2629 mounted on a

EQUIPMENT LOCATION: 901 N. 6th Street
Lincoln, NE 68508

City of Lincoln (NE)

By: _____
Name: Chris Beutler
Title: Mayor of Lincoln
Date: _____

EXHIBIT F

INSURANCE COVERAGE REQUIREMENTS

TO: 1st SOURCE BANK ("Lessor")

FROM: City of Lincoln (NE)

SUBJECT: Insurance Coverage Requirements

1. In accordance with the terms of the Lease Agreement, dated _____, and Lease Supplement 1, between Lessee and Lessor, dated _____, we have instructed the insurance agent named below (*please fill in name, address and telephone number*):

to issue:

- a. All Risk Physical Damage Insurance on the leased equipment evidenced by a Certificate of Insurance and Long Form Loss Payable Clause naming 1st Source Bank as loss payee.

Coverage Required: Full Replacement Value

- b. Public Liability Insurance evidence by a Certificate of Insurance naming 1st Source Bank and/or its assigns as an Additional Insured.

Minimum Coverage Required:

\$1,000,000.00 aggregate bodily injury liability
\$1,000,000.00 property damage liability

OR

2. Pursuant to Paragraph 8.0 of the Master Lease Agreement, between Lessee and Lessor, dated _____ ("Agreement") and Lease Supplement 1 we are self-insured for all risk, physical damage, and public liability and will provide proof of such self-insurance in letter form together with a copy of the statute authorizing this form of insurance.
3. Proof of insurance coverage will be provided prior to the time that the equipment is delivered to us.

By: _____

Dated: _____

EXHIBIT G
DELIVERY RECEIPT

TO LESSOR: 1st SOURCE BANK

RE: City of Lincoln (NE)

In accordance with the terms of the Lease Agreement dated _____, and Lease Supplement 1 between ("Lessor"), and the undersigned ("Lessee"), Lessee hereby certifies and represents to, and agrees with, Lessor as follows:

1. The Equipment, as such term is defined in the Lease, has been delivered and/or installed at the Equipment Location specified in the attached Description of the Equipment and accepted on the date indicated below.
2. Lessee has conducted such inspection and/or testing of the Equipment as it deems necessary and appropriate and hereby acknowledges that it accepts the Equipment for all purposes.
3. No Event of Default, as such term is defined in the Lease, and no event which with notice or lapse of time, or both, would become an Event of Default, has occurred and is continuing at the date hereof.

Lessee: City of Lincoln (NE)

By: _____
Name: _____
Title: _____
Date: _____

EXHIBIT H

Principal Amount: \$235,667.00

Date of Lease Supplement: _____

	<u>Date</u>	<u>Payment</u>	<u>Interest</u>	<u>Principal</u>	<u>Balance</u>
Loan	01/15/2009				\$235,667.00
1	01/15/2009	\$54,008.07	\$0.00	\$54,008.07	\$181,658.93
	2009 Totals	\$54,008.07	\$0.00	\$54,008.07	
2	01/15/2010	\$54,008.07	\$9,065.95	\$44,942.12	\$136,716.81
	2010 Totals	\$54,008.07	\$9,065.95	\$44,942.12	
3	01/15/2011	\$54,008.07	\$6,823.05	\$47,185.02	\$89,531.79
	2011 Totals	\$54,008.07	\$6,823.05	\$47,185.02	
4	01/15/2012	\$94,000.00	\$4,468.21	\$89,531.79	\$0.00
	2012 Totals	\$94,000.00	\$4,468.21	\$89,531.79	

Commencement Date: _____

Interest Rate: 4.88%

City of Lincoln (NE)

By: _____

Name: Chris Beutler

Title: Mayor of Lincoln

Date: _____

LIMITED POWER OF ATTORNEY



I (We), the undersigned, do hereby make, constitute and appoint 1st Source Bank, its agents or assigns, as my (our) ATTORNEY IN FACT to correct patent errors in and execute and file the manufacturer's statement(s) or certificate of origin(s) ("MSO"), the certificate of title(s), the application(s) for certificate of title, the vehicle registration(s), the financing statement(s), the security document(s) and all other necessary documents covering or related to the vehicle(s) and/or equipment described below, and to take whatever action is necessary for the purpose of perfecting 1st Source Bank's first priority security interest in the following described vehicle(s) and/or equipment:

One (1) 2009 Elgin Eagle F Dual Driver Sweeper, S/N: F2629 mounted on a

This POWER OF ATTORNEY shall remain in full force and effect unless revoked in writing by the undersigned.

Signed and executed this ____ day of _____, 20_____.

Chris Beutler, Mayor of Lincoln
(Printed or typed name of grantor)

(Signature of grantor, plus title if other than an individual)

(Printed or typed name of grantor)

(Signature of grantor, plus title if other than an individual)

Sworn and subscribed before me, a Notary Public, in and for the State of _____, this ____ day of _____, 20____, did personally appear _____, personally known to me or properly identified as the person recited as grantor above.

State of _____

County of _____

My Commission Expires: _____

Notary Public

Printed Name of Notary